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Australian Securities &
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Contents

Markets Disciplinary Panel: Infringement Notice

Recipient: Petra Capital Pty Ltd

The recipient has complied with the infringement notice. Compliance is not an admission of guilt or liability; and the recipient is not taken to have contravened subsection 798H(1) of the *Corporations Act 2001*

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ASIC
Australian Securities &
Investments Commission



PART 7.2A OF THE CORPORATIONS REGULATIONS 2001 INFRINGEMENT NOTICE

To: Petra Capital Pty Ltd
ACN 110 952 782
Level 17
14 Martin Place
SYDNEY NSW 2000

Matter: MDP 0515/25

Date given: 9 December 2025

TAKE NOTICE: The Australian Securities and Investments Commission (**ASIC**) gives this infringement notice to Petra Capital Pty Ltd ACN 110 952 782 (**Petra**) under regulation 7.2A.04 of the *Corporations Regulations 2001* (**Regulations**), which is made for the purposes of section 798K of the *Corporations Act 2001* (**Act**).

To comply with this notice, Petra must pay a penalty to ASIC, on behalf of the Commonwealth, in the sum of **\$205,350**.

Background

1. At all relevant times, Petra was a Market Participant and Trading Participant of the ASX Market and the Cboe Market.
2. In September 2021, ASIC published the Market Integrity Update – Issue 130, reminding market participants of their ‘*obligations to provide accurate and complete regulatory data*’. The Market Integrity Update – Issue 130 also noted that:

This data is used for market surveillance and to calculate the levies paid by securities dealers that trade through market participants under ASIC industry funding. Errors in the content or format of the ‘Intermediary ID’ field, which is required under Rule 7.4.4, may impact the levies paid by your clients.

You should check that the data you have provided is accurate and your arrangements for recording and reporting the data are appropriate and effective. You should report any errors relating to the ‘Intermediary ID’ field to your Intermediary Supervisor at ASIC and consider any breaches of Part 7 of the Rules in the context of your breach reporting obligations under section 912D of the Corporations Act 2001.

3. The Market Integrity Update – Issue 130 also highlighted that a number of infringement notices had been issued by the MDP to address non-compliance with regulatory obligations.
4. On 8 December 2021, ASIC emailed Petra querying three special crossings that it had reported to the market operator. Each special crossing had Origin of Order references (to identify the clients) for the buy-side and sell-side with the same letters but with subsequent orders having different numbers (each buy-side had the Origin of Order in the following format: eg ABC, ABC1 or ABC2 and each sell side the same format: eg DEF or DEF1). ASIC queried these orders and stated *‘ClientID and or Account references populated for each of them appear to be related to same buy/sell client/s or incorrect. To better understand if they have been reported properly and with the correct origin of order information please can you review the trades and provide some more context’*.
5. On 9 December 2021, Petra responded that the buy side orders (eg ABC, ABC1, ABC2) were for the same client and the sell-side orders (eg DEF, DEF1) were the same client. In its response, Petra stated that it was speaking to IRESS about the matter.
6. ASIC acknowledged receipt of the information and stated that it would revert with any questions.
7. On 10 December 2021, Petra forwarded to ASIC a Petra internal email that explained why the issue had occurred when the numbers were manually added to the client reference. Petra advised that it was working with IRESS on a solution outlined in the email. Petra also offered to put in place a short term fix.
8. ASIC responded that it would review the details and revert but did not do so.
9. Petra liaised with IRESS to design an automated solution to replace the manual solution. IRESS soon reconfigured and tested the system in the crossing context, deploying the automatic addition of ‘/’ after the unique alphabetical internal client identifier which appeared to work as intended (to follow the following format: eg ABC, ABC/1, ABC/2 etc). In March 2022, Petra and IRESS implemented this automated reconfiguration to all client orders.
10. On 16 November 2023, ASIC emailed Petra to enquire whether trades executed in a particular security were conducted for the same client. Consistent with the change by Petra above, there were variations to the Origin of Order that followed a format of an alphabetical client identifier, with some orders followed by a ‘/’ and different numbers (eg ABC, ABC/1, ABC/2). ASIC requested that if the trading was conducted for the same client, to provide an explanation for the Origin of Order and stated *‘It is expected that the Origin of Order (OoO) is used in a consistent manner where the underlying client of an order or transaction is the same.’*
11. On 17 November 2023, Petra confirmed the orders were for the same client and provided an explanation as follows:

When multiple orders are received from clients through the FIX connection, they appear as separate lines in the order pad and are automatically allocated an order type number in the time order they are sent by the client. What appears to have happened is when executing these orders the order type number had been added to the client Xref rather than the OrderMatchID field on the order ticket.

Petra understands the Origin of Order (i.e. Xref) should remain consistent for clients across all their orders and will ensure this doesn't occur again.

12. On 20 November 2023, ASIC asked if it was an isolated incident and whether there were similar incidents in other stocks for the particular client or other clients. ASIC subsequently advised that it had noted other Origin of Orders had numbers added.
13. Following further interactions between Petra and ASIC, on 4 December 2023, Petra sent an email to ASIC that stated:

...It appears the Origin of Order issue ASIC has raised, likely commenced in March 2022. A process change was made at the time as Petra's DTR's couldn't cross into a clients type 1 or type 2 ticket. Previously Petra would cross into the Type DEF order, overfill the order and transfer the units into the relevant Type 1 or Type 2 order line. However with onboarding [client] at the time, it was brought to Petra's attention that this process breaks the client orders fix connection. The OrdermatchID isn't a field in the trade report and crossing window and in consultation with IRESS at the time, the solution derived was to use /1, /2 in the Xref to indicate the order type. As a result, using the forward slash "/" for crossing and trade reports doesn't impact the Origin of Order details. It was thought this logic not only applied to crossing but also for on-market trading where the client send multiple order lines via a FIX Connection, which Petra now realises is not the case.

The issue of adding the /1, /2 etc. to the Xref for multiple order lines received via a FIX connection and traded on-market (i.e. not via a crossing), is likely to have occurred across a broad range of clients... Potentially other client orders impacted would have included most clients with a FIX Connection setup, that send multiple tickets...

Remediation taken:

Petra has worked with IRESS to create a solution in the back end of Petra's IRESS instance, whereby Petra DTR's can continue to use /1, /2 etc. in the Xref when creating a market order, but the Xref displayed in the Broker Depth and the Origin of Order, remain as the original Xref and don't include the /1, /2 etc. and the orders will continue to fill correctly according to the order lines received by clients through the FIX connection.

Below are snapshots from successful testing completed in UAT for the order entry of [ABC/1], showing the Origin of Order being transmitted as [ABC] not [ABC/1].

...

Hope this clarifies the issue and the information provided about the remediation action taken is sufficient.

14. Following further questions raised by ASIC, on 7 December 2023, Petra confirmed that the solution to the Origin of Order information was made after market on 5 December 2023.
15. On 3 April 2024, ASIC sought an explanation regarding whether the Origin or Order issue impacted the accuracy and reliability of Petra's pre-trade and post trade surveillance activities.
16. On 10 April 2024, Petra confirmed that it did not believe the accuracy and reliability of

surveillance activities were impacted. Petra also responded:

When ASIC first queried Petra on the Origin of Order Issue, Petra immediately investigated the issue to determine the cause. Once the cause was identified Petra worked with IRESS to find and implement an appropriate solution, with the details of the immediate remediation actions taken communicated with ASIC's Market Surveillance team. Petra has further worked with IRESS to ensure more robust controls are in place and has implemented an additional filter where order entry will be denied if the Xref does not match an account. Petra does not believe the Origin of Order issue lessened Petra's surveillance activities as clients remained identifiable. Petra believes its surveillance activities are reasonable and appropriate for the nature scale and complexity of the business. Petra is an institutional and wholesale only stockbroker, where majority of clients are institutional. Petra's DTR's complete regular training and are currently enrolled in the DTR Refresher Course run by the Stockbrokers Association. Petra has 7 qualified DTR's and executes an average of 20 trades daily.

Alleged Contravention

17. Rule 7.4.2 of the Rules provides:

- (1) *A Participant must provide Regulatory Data to a Market operator in an Order transmitted to an Order Book of that Market operator.*

18. Regulatory Data is defined in Rule 7.4.4. This Rule states:

- (1) *In these Rules, **Regulatory Data** means:*

....

- (b) *in relation to an order transmitted to an Order Book and any transaction resulting from that order, the information set out in items 2 to 5 of the following table.*

- (2) *The information in items 3, 4 and 5 of the following table does not need to be provided by a Participant if the Participant has taken all reasonable steps to determine the information and is unable to do so.*

...

- (5) *Where a Participant provides a notation, code or number to identify information set out in items 1 to 5 of the following table in an Order or Trade Report, it must take all reasonable steps to consistently provide the same code, notation or number to identify the same information in subsequent orders or Trade Reports.*

Item	Label	Regulatory Data
3	Origin of Order or transaction	For each side (buy and/or sell) of the order or transaction on which the Participant acts as agent for a client, a unique notation, code or number used by the Participant to identify the person on whose instructions the Order is submitted or transaction was executed.

19. The MDP considered that Petra breached Rule 7.4.2 by providing Regulatory Data with

different Origin of Order information for the same client. Although each client order was assigned with a single consistent alphabetical code by Petra, the problem was the addition, after the client code, of a backslash '/', and a number when the order was transacted in parcels, or part of a series of orders placed on the same day by the client. While this approach may have been helpful to Petra, the MDP is of the view that the use of different numbers after the alphabetic code for the same client, with or without being separated by a '/', meant that the Origin of Order information was not a unique notation, code or number for the same client as required in item 3 of the table in Rule 7.4.4. Petra also did not comply with Rule 7.4.4(5) as it did not take all reasonable steps to consistently provide the same code, notation or number to identify the same client in subsequent orders.

20. Petra did not provide unique and the same Origin of Order information for orders on 3,632 occasions between 3 March 2022 and 5 December 2023. These orders resulted in 14,741 trades.
21. The MDP considered it had reasonable grounds to believe that Petra breached Rule 7.4.2 on 3,632 occasions.
22. The MDP considered that this conduct should be treated as a single course of conduct from 3 March 2022 to 5 December 2023.

The determination of penalty

23. In determining the appropriate penalty for each alleged contravention, the MDP considered the four key factors set out in *ASIC Regulatory Guide 216: Markets Disciplinary Panel (RG 216)*, namely:
 - (a) the character of the conduct;
 - (b) the consequences of the conduct;
 - (c) the participant's compliance culture; and
 - (d) remedial steps taken by the participant.

Character of the conduct

24. Providing Regulatory Data is a core obligation of Market Participants. It is used by ASIC to help it carry out its function of supervising and ensuring integrity of the market
25. On 8 December 2021, ASIC raised a query with Petra noting the ClientID and/or Account references which '*appear to be related to same buy/sell client/s or incorrect*' and asked Petra to '*review the trades and provide some more context*'. Following this query, given ASIC was unable to readily identify whether the references were for the same client, Petra should have realised that the format of its Origin of Order in its Regulatory Data provided to a Market Operator did not comply the requirements in the Rules, and should have taken its own steps to determine whether its format complied.
26. Further, on 10 December 2021, Petra advised ASIC that it was working on configuring the trade report so that it can have Type in the Trade Report window and it should be solved

early in the new year, if not by year end. In the same email, Petra also advised that *‘as a solution, when crossing multiple lines for the same client/s in the same stock,’* [it has] been *‘manually adding a number to the xref so as to differentiate the separate tickets [it] receive[s]’*.

27. ASIC responded to Petra that it would review Petra’s response and revert back. ASIC did not do so. Petra submitted that *‘ASIC was well aware that Petra was using this system in 2021, having sought information about it, and allowed Petra to continue to use it, leading Petra to believe ASIC had no issue with it.’* The MDP did not consider ASIC’s response could be reasonably relied upon by Petra to conclude the system fix being implemented fully complied with the Origin of Order requirements. Petra has the obligation to implement appropriate systems to ensure ongoing compliance with the Regulatory Data Rules. Petra’s assumption that it was compliant with the Rules was based on the absence of any corrective response from ASIC. The MDP did not consider this to be a sufficient or justifiable basis for Petra to assume it was compliant and Petra should have taken additional steps and further due diligence on the Origin of Order requirements to ensure it complied with the Rules.
28. In March 2022, Petra and IRESS implemented an automated reconfiguration to all client orders by putting in a ‘/’ between the client letters and different numbers. While Petra intended to make this change, it may have done so in the mistaken belief that it was complying with the Origin of Order requirements in its Regulatory Data obligations, having not made its own further enquiries to determine whether the approach would comply.
29. The failure to provide the Origin of Order information in accordance with the Rules continued for 1 year and 9 months, and may have been further prolonged had ASIC not identified the issue and contacted Petra about it. Even if Petra mistakenly believed it was complying with the Regulatory Data obligations when it made the change in March 2022, it should have been conducting periodic reviews and testing of its systems, and the assumptions on which they are based, by specialists with the skills to identify defects in the format of the Origin of Order code in its Regulatory Data.
30. The MDP considered the contraventions to be careless as Petra should have been aware that the format of its Origin of Order in its Regulatory Data did not comply with the Rules, should have taken its own steps to ensure its format complied and should have undertaken periodic reviews and testing its systems, and their underlying assumptions, that would have identified the non-compliance.

Consequences of the conduct

31. The MDP considered the consequences of the alleged contravention to be significant.
32. The MDP noted that providing accurate Regulatory Data is a core obligation of Market Participants. Regulatory Data sent by Market Participants is used by ASIC to help carry out its mandated function of supervising and ensuring integrity of the market. It enables ASIC to detect market abuse such as suspected market misconduct, monitor market orderliness and integrity and to analyse the market structure, trends, and quality of Australian financial products.
33. While the alleged contravention may not have impacted Petra’s own surveillance of its clients’ activities, it impacted ASIC’s ability to carry out its surveillance function. By not consistently providing the same and unique Origin of Order information for the same

clients, it caused one client to appear as multiple clients in its Regulatory Data in relation to 3,632 orders and resultant 14,741 trades. This may have impacted ASIC's surveillance alerts and ability to detect unusual patterns of trading by clients, indicative of market manipulation or insider trading. This had the potential to impact market integrity if ASIC could not detect and respond to suspicious behaviour.

34. The impact was more significant given the number of orders and trades involved and the length of time the alleged contravention continued.

Compliance culture

35. Petra was responsive to ASIC's concerns raised about its Origin of Order data in December 2021 and in November 2023. Petra took steps to implement fixes reasonably quickly, albeit Petra may have mistakenly believed in March 2022 its Origin of Order information was compliant. This is indicative of a good compliance culture.
36. However, while Petra was reactive to concerns by ASIC, the MDP considered Petra should have been more proactive in having its systems, and the underlying assumptions in its coding, periodically reviewed. The MDP considers that Market Participants should be conducting reviews of and testing its systems at least every 12 months and that its compliance function has sufficient involvement in technical aspects including the collection and submission of Regulatory Data. The Market Participant should obtain external assistance if it does not have the in-house skills to do so. The MDP notes that Petra obtained assistance from IRESS and that this inadvertently may have reinforced Petra's mistaken belief, but in the MDP's view, Petra should have taken steps to verify the appropriateness of its solution as the responsibility to do so rests with Petra.
37. The MDP also noted Petra's good compliance record as it has not been issued with any infringement notices by the MDP previously.

Remedial steps

38. After becoming aware of ASIC's concerns regarding Petra's Origin of Order information in November 2023, Petra acted quickly to resolve the issue in 20 days. It worked out a solution with IRESS to ensure that Origin of Order data was transmitted without additional tags and the solution was put into production after market on 5 December 2023.

Penalty

Alleged Contravention –Rule 7.4.2

39. The maximum penalty for a single contravention for a breach of Rule 7.4.2 of the Rules is 15,000 penalty units (the amount of one penalty unit for conduct from 1 July 2020 to 31 December 2022 is \$222, for conduct from 1 January 2023 to 30 June 2023 is \$275 and for conduct from 1 July 2023 to 6 November 2024 is \$313).
40. The MDP considered that the conduct should be treated as a single course of conduct.
41. Having regard to the circumstances, the MDP considered a penalty in the low range would be appropriate. Given the size of Petra as a Market Participant and the need for the penalty to be an appropriate deterrent to Petra and other Market Participants, the MDP decided to

impose a penalty of 925 penalty units. The entire amount of the penalty was applied to the first contravention (where the penalty unit of \$222 applied), with no penalty being specified for each subsequent contravention.

42. This makes the total penalty for the alleged contraventions **\$205,350**.

Other information

The maximum pecuniary penalty payable under an infringement notice in relation to an alleged contravention of subsection 798H(1) of the Act, by reason of contravening Rule 7.4.2 of the Rules is \$3,330,000 for each contravention occurring between 1 July 2020 and 31 December 2022, \$4,125,000 for each contravention between 1 January 2023 and 30 June 2023 and \$4,695,000 for each contravention between 1 July 2023 and 6 November 2024.

Note: The maximum pecuniary penalty is 15,000 penalty units for a body corporate: see subsection 798K(2) of the Act. The amount of a penalty unit was \$222 between 1 July 2020 and 31 December 2022, \$275 between 1 January 2022 and 30 June 2023 and \$313 between 1 July 2023 and 6 November 2024: see subsection 4AA(1) of the Crimes Act 1914.

The maximum pecuniary penalty that a Court could order Petra to pay for contravening subsection 798H(1) of the Act (a civil penalty provision), by reason of contravening Rule 7.4.2 of the Rules, is determined by section 1317G of the Act.

Note: Under subsections 1317G(2) and (4), the maximum pecuniary penalty per contravention is the greatest of:

- (a) 50,000 penalty units; and
- (b) if the Court can determine the benefit derived and detriment avoided because of the contravention—that amount multiplied by 3; and
- (c) either:
 - (i) 10% of the annual turnover of the body corporate for the 12-month period ending at the end of the month in which the body corporate contravened, or began to contravene, the civil penalty provision; or
 - (ii) if the amount worked out under subparagraph (i) is greater than an amount equal to 2.5 million penalty units—2.5 million penalty units.

To comply with this infringement notice, Petra must pay the penalty within the compliance period. The compliance period starts on the day on which this notice is given to Petra and ends 27 days after the day on which it is given. This penalty can be paid using the method detailed in the email by which this notice is given.

The effects of compliance with this infringement notice are:

- (a) any liability of Petra to the Commonwealth for the alleged contraventions of subsection 798H(1) of the Act is discharged; and
- (b) no civil or criminal proceedings may be brought or continued by the Commonwealth against Petra for the conduct specified in the infringement notice as being the conduct

that made up the alleged contraventions of subsection 798H(1) of the Act; and

- (c) no administrative action may be taken by ASIC under sections 914A, 915B, 915C or

920A of the Act against Petra for the conduct specified in the infringement notice as being the conduct that made up the alleged contraventions of subsection 798H(1) of the Act; and

- (d) Petra is not taken to have admitted guilt or liability in relation to the alleged contraventions; and
- (e) Petra is not taken to have contravened subsection 798H(1) of the Act.

Petra may choose not to comply with this infringement notice, but if Petra does not comply, civil proceedings may be brought against it in relation to the alleged contravention.

Petra may apply to ASIC for withdrawal of this infringement notice under regulation 7.2A.11 of the Regulations and for an extension of time to comply under regulation 7.2A.09 of the Regulations.

ASIC may publish details of this notice under regulation 7.2A.15 of the Regulations.

The unique code for this notice is MDP 0515/25.



Andrew Stecher

Markets Disciplinary Panel Secretariat

with the authority of a Division of the Australian Securities and Investments Commission

Note: Members of the Markets Disciplinary Panel constitute a Division of ASIC as delegates of the members of the Division for the purposes of considering the allegations covered by this notice.